

A smart green future. Together.

Half Year Report 2025



Our purpose is to enhance the value and productivity of New Zealand's horticultural, arable, seafood and food and beverage industries to contribute to economic growth and the environmental and social prosperity of New Zealand.

Presented in this report are the financial statements and highlights for the six months ended 31 December 2024



Cover photo

We have a team of 1,000 people, including Rafael Campos, undertaking research and using new technologies to create a smart green future for Aotearoa New Zealand.



plantandfood.co.nz

More information can be found on our company website and via our social media channels.

Financial progress

Plant & Food Research recorded total revenue of \$97.8M for the half year ended 31 December 2024. This reflected growth of \$4.8M (5.2%) on the half year ended 31 December 2023, underpinned by stronger domestic harvest outcomes in 2024 and growing contributions from offshore production of our royalty-bearing cultivars.

Following multiple adverse weather events that significantly impacted financial performance over the last two financial years, Plant & Food Research remains in a period of financial recovery. Against this backdrop, an ongoing focus on cost control continued throughout the half year ended 31 December 2024. This focus, along with the benefit of realising significant gains from asset sales, contributed to delivery of an after-tax profit for the half year of \$1.7M. This result was significantly stronger than the net loss after tax of \$5.4M recorded in the corresponding period of the prior year.

Plant & Food Research continues to benefit from a solid balance sheet, with net assets of \$160.3M as at 31 December 2024. Following the further equity injection from the shareholder received during the prior financial year, no borrowings were held at half year. While the financial recovery continues, Plant & Food Research expects to maintain conservative borrowing settings over the short term until a return to sustainable recurring profitability.

Given Plant & Food Research's direct revenue exposure to the same production and market impacts experienced by customers and partners, growth in total revenue is expected to remain modest in the short term. However, over the medium to long term, the outlook for the horticulture sector continues to remain very positive, with revenue, operating margins and underlying profitability forecast to grow.

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Highlights

Releasing two new apple cultivars to growers worldwide.

GoodnessMe® ('PremA133'), an apple with improved disease resistance commercialised by joint venture Prevar Ltd, has been licensed by Wouters Fruit for commercialisation by European growers, while STELLAR™ ('HOT81A1') is the second variety bred for warmer climates and commercialised globally by VentureFruit through the Hot Climate Partnership.

Confirming a molecule in New Zealand-grown blackcurrants plays a key role in mood and mental performance.

The identification of the compound sarmentosin will support marketing of Alphagen NZ Ltd's Ārepa range of drinks and supplements.

Publishing, with iwi partners, the first genome sequence with a Te Reo Māori name.

The sequencing of the swamp maire genome, in collaboration with Rangitāne o Manawatū and Victoria University of Wellington, will support conservation of the taonga.

Welcoming the announcement of new gene technology regulations.

The proposed regulations will enable innovation in both fundamental and applied science and support more efficient and faster development of new plant varieties.



Launching, with industry partners, the Sustainable Vegetable Systems Tool.

The tool allows vegetable growers to make decisions supporting optimised nitrogen management practices.

Opening Te Whenua Tupu, the Living Lab, an experimental facility to support futureproofing of perennial crop sectors.

The new facility, owned by the Marlborough Research Centre, based at the Nelson Marlborough Institute of Technology and operated by Plant & Food Research, will further research and teaching in above and below-ground production ecosystems.

Signing a new agreement that affirms commitment to the Joint Graduate School of Plant and Food Science with the University of Auckland.

The Joint Graduate School provides postgraduate students with access to applied research projects of direct relevance to the food and fibre sector.

Receiving resource consent to conduct trials of an ocean aquaculture prototype system with snapper and Chinook salmon.

The new aquaculture prototype, to be based in Tasman Bay, will be the first time a native New Zealand finfish species will be grown in an open water aquaculture setting.

Entering into an agreement, via joint venture Prevar Ltd, to explore gene technologies for apple and pear breeding.

The partnership between Prevar and Okanagan Speciality Fruits will develop Plant & Food Research's capability and support for the horticulture sector in future decision-making.

Delivering impact through new investment from the Ministry for Business, Innovation and Employment Endeavour Fund.

Plant & Food Research scientists will lead a five-year research programme to develop new fish cell production systems, as well as four Smart Ideas looking at soil vulnerability, grapevine leafroll disease, managing pāua stocks, and developing lures from kiwifruit species. Plant & Food Research will also support a University of Waikato research programme to develop new plant protectants from seaweed.

Second apple variety bred for warmer climates



Statement of comprehensive income

for the six months ended 31 December 2024 (unaudited)

		GROUP		
	Note	Dec 2024 \$000	Dec 2023 \$000	Full year to June 2024 \$000
PROFIT AND LOSS				
Revenue				
Strategic funding		21,581	21,581	43,162
Crown-funded research		6,921	6,799	14,257
Commercial science research		66,297	61,319	130,010
Other income		2,961	3,226	6,976
		97,760	92,925	194,405
Less operating costs				
Personnel costs		59,448	57,226	114,411
Depreciation and amortisation expense		8,861	8,662	17,643
(Gain) on sale of assets		(4,560)	(29)	(540)
Other operating expenses		33,358	34,309	63,804
		97,107	100,168	195,318
Profit/(loss) before interest & taxation				
		653	(7,243)	(913)
Finance income		835	576	1,118
Finance costs		(766)	(670)	(1,374)
Share of profit of associates and joint ventures		906	688	251
Profit/(loss) before taxation				
		1,628	(6,649)	(918)
Taxation (credit)/expense		(109)	(1,220)	5,175
Profit/(loss) after taxation attributable to owners				
		1,737	(5,429)	(6,093)
OTHER COMPREHENSIVE INCOME				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences		24	(8)	28
Cash flow hedges		(384)	197	42
Other comprehensive income		(360)	189	70
Total comprehensive income attributable to owners				
		1,377	(5,240)	(6,023)

The accompanying notes form part of these financial statements.

Statement of changes in equity

for the six months ended 31 December 2024 (unaudited)

	ATTRIBUTABLE TO OWNERS OF THE GROUP				
	Share capital \$000	Retained earnings \$000	Foreign currency translation \$000	Cash flow hedge \$000	Total Equity \$000
Balance as at 01 July 2023	28,436	119,502	23	20	147,981
Changes in equity for					
Issue of shares	17,000				17,000
Loss for the period		(5,429)			(5,429)
Other comprehensive income, net of taxes			(8)	197	189
Balance as at 31 December 2023	45,436	114,073	15	217	159,741
Balance as at 01 July 2024	45,436	113,409	51	62	158,958
Changes in equity for					
Profit for the period		1,737			1,737
Other comprehensive income, net of taxes			24	(384)	(360)
Balance as at 31 December 2024	45,436	115,146	75	(322)	160,335

The accompanying notes form part of these financial statements.

Balance sheet

as at 31 December 2024 (unaudited)

	GROUP		
	Dec 2024 \$000	Dec 2023 \$000	Full year to June 2024 \$000
Current assets			
Cash and short-term deposits	31,656	21,870	20,826
Receivables and prepayments	32,847	41,800	50,499
Inventories	233	273	294
Total current assets	64,736	63,943	71,619
Current liabilities			
Accounts payable and accruals	28,062	28,785	32,193
Employee entitlements	12,043	14,600	14,765
Current borrowings	–	–	–
Lease liabilities	1,273	1,386	1,414
Taxation payable	116	62	(23)
Total current liabilities	41,494	44,833	48,349
Working capital	23,242	19,110	23,270
Non-current assets			
Property, plant and equipment	123,027	122,591	121,582
Investment property	804	–	804
Right-of-use assets	23,803	22,567	24,449
Intangible assets	5,363	4,710	6,411
Investments	5,269	5,378	5,075
Other assets	1,190	891	891
Deferred tax asset	4,185	9,011	3,220
Total non-current assets	163,641	165,148	162,432
Non-current liabilities			
Lease liabilities	24,521	22,757	24,810
Employee entitlements	2,027	1,760	1,934
Total non-current liabilities	26,548	24,517	26,744
NET ASSETS	160,335	159,741	158,958
Represented by:			
Equity			
Share capital	45,436	45,436	45,436
Retained earnings	115,146	114,073	113,409
Foreign currency translation reserve	75	15	51
Cash flow hedge reserve	(322)	217	62
TOTAL SHAREHOLDERS EQUITY	160,335	159,741	158,958

For and on behalf of the Board of Directors:



Nicola Shadbolt, Chair
21 February 2025



Paul Connell, Director
21 February 2025

The accompanying notes form part of these financial statements.

Cash flow statement

for the six months ended 31 December 2024 (unaudited)

	Note	GROUP		
		Dec 2024 \$'000	Dec 2023 \$'000	Full year June 2024 \$'000
Cash flows from/(applied to) operating activities				
Receipts from customers		113,188	96,312	189,692
Interest and dividends received		1,548	1,133	1,675
Payments to employees and suppliers		(97,134)	(94,659)	(180,221)
Interest paid		(726)	(641)	(1,305)
Tax paid		(120)	(121)	(245)
Net cash flows from operating activities	(4)	16,756	2,024	9,596
Cash flows from/(applied to) investing activities				
Sale of property, plant and equipment		4,659	41	78
Sale of investments		–	–	500
Purchase of property, plant and equipment		(9,085)	(6,748)	(12,927)
Purchase of intangible assets		(841)	(1,230)	(3,353)
Purchase of investments		–	(313)	(452)
Net cash flows (applied to) investing activities		(5,267)	(8,250)	(16,154)
Cash flows from/(applied to) financing activities				
Proceeds from issue of shares		–	17,000	17,000
Lease principal repayments		(688)	(641)	(1,374)
Net cash flows from/(applied to) financing activities		(688)	16,359	15,626
Net cash flow		10,801	10,133	9,068
Effect of foreign currency translation adjustment		29	(9)	12
Opening cash and cash equivalents		20,826	11,746	11,746
Closing cash and cash equivalents		31,656	21,870	20,826

The accompanying notes form part of these financial statements.

Notes to the financial statements

for the six months ended 31 December 2024 (unaudited)

1. Reporting entities

The New Zealand Institute for Plant & Food Research Limited (the “Company” or “Plant & Food Research”) and its subsidiaries (the “Group”) is a Crown Research Institute governed by the Crown Research Institute Act 1992 and is a limited liability company incorporated and domiciled in New Zealand. The whole of the share capital is held by Ministers of the Crown on behalf of the New Zealand Government. The Company’s registered office is 120 Mt Albert Road, Mt Albert, Auckland 1025.

The Group is primarily involved in research services.

The Group is designated as a profit-oriented entity for financial reporting purposes.

These interim financial statements have been approved for issue by the Board of Directors on 21 February 2025.

2. Basis of preparation

The interim financial statements are presented in New Zealand dollars (NZD), which is the Company’s functional and presentation currency. All financial information presented in New Zealand dollars has been rounded to the nearest thousand dollars (\$000).

These interim financial statements are for the six months ended 31 December 2024.

The interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and financial liabilities (including derivative financial instruments) at fair value.

(A) STATEMENT OF COMPLIANCE

These interim financial statements have been prepared in accordance with the requirements of the Crown Research Institutes Act 1992, the Public Finance Act 1989, the Companies Act 1993 and the Financial Reporting Act 2013.

The interim financial statements have also been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP).

The interim financial statements have been prepared in accordance with NZ IAS 34 ‘Interim financial reporting’. The interim financial statements should be read in conjunction with the annual financial statements for the year ended 30 June 2024, which comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS), and other Financial Reporting Standards, as appropriate for profit-oriented entities. They comply with International Financial Reporting Standards - Accounting Standards (IFRS Accounting Standards).

The Group is a Tier 1 entity.

(B) USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on management’s knowledge of current events and actions that may be undertaken in the future, actual results may ultimately differ from estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(C) GOING CONCERN

During the year ended 30 June 2024 the Group incurred a loss before tax of \$0.9 million, primarily due to a number of industry partners still recovering from the adverse weather events in 2023 that significantly impacted the horticulture sector. A significant portion of the Group’s revenue is closely associated with the market conditions experienced by growers and marketers. A number of cost savings initiatives were continued to help mitigate losses and to preserve cash. Over the medium to long term, the outlook for the horticulture sector remains positive, with Group revenues expected to grow.

The Group’s shareholders contributed \$17 million in new equity in October 2023 to provide additional financial resilience.

In addition to shareholder funding, the Group has undrawn bank funding at 31 December 2024 of \$15 million. Together the shareholder and bank funding are expected to enable the Group to fund any near-term losses.

3. Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 June 2024.

Notes to the financial statements

for the six months ended 31 December 2024 (unaudited)

4. Reconciliation of profit/(loss) after tax with cashflows from operating activities

	GROUP		
	Dec 2024 \$000	Dec 2023 \$000	Full year to June 2024 \$000
Profit/(loss) after tax	1,737	(5,429)	(6,093)
<i>Add/(less) non-cash items:</i>			
Share of retained (profit) of associates and joint ventures	(906)	(688)	(251)
Depreciation and amortisation	8,861	8,662	17,643
Other non-cash movements	–	(160)	(160)
	7,955	7,814	17,232
<i>Add/(less) items classified as investing and financing activities:</i>			
(Gain) on sale of property, plant and equipment	(4,560)	(29)	(540)
Dividends received from joint venture	712	557	557
<i>Movements in working capital:</i>			
Decrease/(increase) in receivables and prepayments	17,244	4,925	(3,878)
Decrease in inventory	61	143	122
(Decrease) in trade payables and accruals	(2,938)	(3,908)	(1,800)
Increase/(decrease) in taxation payable	139	20	(65)
(Increase)/decrease in future tax benefit	(965)	(2,003)	3,788
(Decrease)/increase in employee entitlements	(2,629)	(66)	273
	10,912	(889)	(1,560)
Net cash flow from operating activities	16,756	2,024	9,596

5. Capital commitments

Property, plant and equipment that has been committed to by the Group, but is not recognised in the financial statements as at 31 December 2024 is \$4.9M (31 December 2023 \$8.5M).

6. Contingencies

Contingent Liabilities

There were no contingent liabilities known to exist at 31 December 2024 (31 December 2023 \$0).

Contingent Assets

There were no contingent liabilities known to exist at 31 December 2024 (31 December 2023 \$0).

7. Subsequent events

On 23 January 2025 the Prime Minister announced that Plant & Food Research would be merged, along with AgResearch, Manaaki Whenua and Scion, to form a new bioeconomy Public Research Organisation (PRO).

The merger process is expected to commence in 2025, with integration activity continuing in 2026.

8. Audit

These interim financial statements have not been audited.

Statement of responsibility

In the financial half-year ended 31 December 2024, the Board and management of The New Zealand Institute for Plant & Food Research Limited were responsible for:

- the preparation of the financial statements and the judgements used therein; and
- establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial performance reporting.

In the opinion of the Board and management of The New Zealand Institute for Plant & Food Research Limited, these financial statements fairly reflect the financial position and operations of The New Zealand Institute for Plant & Food Research Limited for the six months ended 31 December 2024.



Nicola Shadbolt, Chair
21 February 2025



Paul Connell, Director
21 February 2025

Directory

New Zealand

AUCKLAND
TĀMAKI MAKĀURAU
120 Mt Albert Road
Mt Albert
Auckland 1025
Private Bag 92169
Auckland 1142
Tel 09 925 7000
Fax 09 925 7001

CLYDE
MATA-AU
990 Earnscleugh Road
RD 1, Alexandra 9391

DUNEDIN
ŌTEPOTI
Dept of Chemistry
University of Otago
Box 56
Dunedin 9054

HAWKE'S BAY
TE MATAU-A-MĀUI
30 Crosses Road
Havelock North 4130
Private Bag 1401
Havelock North 4157

KERIKERI
121 Keri Downs Road
RD 1, Kerikeri 0294

LINCOLN
ŌTAUHAH
74 Gerald Street
Lincoln 7608
Private Bag 4704
Christchurch 8140

MARLBOROUGH
TAUIHU
85 Budge Street
Blenheim 7201
PO Box 845
Blenheim 7240

MOTUEKA
55 Old Mill Road
RD 3, Motueka 7198

NELSON
WHAKATŪ
297 Akersten Street
Port Nelson
Nelson 7010
Box 5114
Port Nelson
Nelson 7043

PALMERSTON NORTH
PAPAIOEA
23 Batchelar Road
Palmerston North
Private Bag 11600
Palmerston North 4410

PUKEKOHE
Cronin Road
RD 1, Pukekohe 2676

RUAKURA
Bisley Road
Hamilton 3214
Private Bag 3230
Hamilton 3240

TE PUKE
412 No 1 Road
RD 2, Te Puke 3182

WELLINGTON
TE WHANGANUI-A-TARA
Level 6
17 Whitmore Street
Wellington 6011

Australia

School of Agriculture and Wine
University of Adelaide
Waite Campus
Urrbrae
SA 5064, Australia

USA

PO Box 25563
Portland, OR 97298, USA

Directors

Nicola Shadbolt
Chair
Paul Connell
Justine Daw
Candace Kinser
Dean Moana
Nadine Tunley

Chief Executive Officer

Mark Piper

Senior Leadership Team

Roger Bourne
Director Strategy, Brand & Impacts

Dr Jolon Dyer
Director Science

Professor Richard Newcomb
Chief Scientist

Dr Gavin Ross
Director Customer & Commercial

Quentin Smith
Chief Financial & Operating Officer

Keri-Anne Tane
Director People & Culture

Stacey Whitoria
Director Māori Strategy, Partnerships & Enterprise

Registered office

120 Mt Albert Road
Mt Albert
Auckland 1025

Auditors

PricewaterhouseCoopers on behalf
of the Auditor-General

Bankers

ANZ Bank New Zealand Ltd
Westpac New Zealand Ltd

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